Memo to: Tracie Billington and other members of the DWR and SWRCB Prop 50 IRWM Planning Grant Proposal Reviewing Committee

From: Glenn-Colusa Irrigation District, Orland-Artois Water District, Orland Unit Water Users' Association, Natural Heritage Institute

Re: **Response to DWR/SWRCB Evaluation of the Prop 50 IRWM Planning Grant proposal titled "Regional Integration of the Lower Tuscan Groundwater Formation into the Sacramento Valley Surface Water System Through Conjunctive Water Management"**

Date: September 27, 2005

The proponents of this proposal hereby formally appeal the DWR/SWRCB staff's evaluation and ranking of the above-referenced proposal, announced on September 16, 2005. In this memorandum, we address the comments made in the evaluation on a point-by-point basis to show that , if this proposal is reviewed in manner that is true to the intent of the language contained in Prop 50, Chapter 8, and objectively adheres to the criteria delineated in the IRWM Planning Grant Guidelines and PSP, the score for the proposal should be significantly increased, and the proposal should be among those chosen for funding. Indeed, this proposal is entitled to a preference for funding under the Guidelines.

I. Overall comments:

The stated objectives of our proposal are to 1) improve local water reliability; 2) improve Central-Valley system-wide reliability; and 3) enhance ecosystems in the rivers of the Sacramento Valley. As the application documents in detail, we propose to do this by engaging the full set of interested stakeholders in a regional planning process to gain a better understanding of a precious shared water resource, the Lower Tuscan Groundwater Formation, and to plan its future management to ensure sustainability and multiple benefits. These objectives and this approach correspond fully to the program preferences described in the Guidelines, namely that (p. 5):

> "Preference will be given to proposals that, as applicable:
> - Include integrated projects with multiple benefits;
> - Support and improve local and regional water supply reliability;
> - […]
> - Include groundwater management and recharge projects that are located […] within one mile of established residential and commercial developments."

Rather than according the proposal the warranted preference, it appears that the heavy premium that the evaluators placed on implementation details penalizes a planning process of the scale and complexity necessary to integrate a resource such as the Lower Tuscan Formation. In fact, such implementation details can only be the *product* of a genuine planning grant, not the pre-requisite for obtaining one.

In sum, the evaluation published by the DWR/SWRCB reviewers misreads the proposal, elevates considerations of form over substance, and frustrates the objectives and intent of the Prop 50 Grant Program. The text of the Proposition 50 enactment and the IRWM Grant Program Guidelines (p.3) make clear that the core purpose of this grant program is to foster regional strategies to improve water supply reliability in California.[1] The Lower Tuscan Formation is the largest virtually untapped water source left

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[1] "The intent of the IRWM Grant Program is to encourage integrated regional strategies for management of water resources and to provide funding, through competitive grants, for projects

in the Central Valley of California. By integrating the Tuscan Formation into the Sacramento Valley water supply system, this proposal would do more to quantitatively advance the core purpose of this program than any of the projects proposed for funding—possibly more than all of the others taken together—and would do so in a way that also enables an ambitious environmental restoration program. Yet for reasons that seem entirely arbitrary, the evaluators have scored this proposal as ineligible for funding. We believe this treatment makes a travesty of the entire process.

We sincerely hope that upon reassessing the full merits of our proposal, the senior managers of DWR and SWRCB will conclude that a planning process to integrate the Lower Tuscan Formation into the Sacramento Valley's water supply planning is too important for the region and for the state of California to be rejected by the Proposition 50 grant selection process.

II. Detailed comments.

WORK PLAN. Please see points A, B and C below.

A. "Deliverables are not clear for some work items/activities."

This comment appears vague and does not pinpoint the activities where such information is purportedly lacking. We believe that the objective and deliverables of each activity were clearly delineated in their description. Let us highlight (see underlined sections below) the objectives and the concrete deliverables of each activity, as described in the proposal submitted.

Activity 1: […] stakeholder consultations to vet the objectives, process, risk avoidance strategies and elements of the emerging work plan to foster ownership and concurrence among stakeholders […] to help design and ratify the planning process.

(*Note that stakeholder consultations will provide feedback into the planning process, thus consisting of an implicit ongoing deliverable. However, note also that a record of the consultations would necessarily be kept and that such a record would obviously form part of the appendices to any resulting plan, in addition to significantly informing its content*).

Activity 2: Lower Tuscan Recharge Investigation.

[…] A GIS data base will be developed as part of this study. Using this GIS, areas will be identified where direct recharge may be feasible. […] Conceptual direct recharge programs and cost estimates will then be designed for these areas.

Activity 3. Use CALSIM II and other hydrogeologic models (such as Stony Creek Fan, IGSM II Groundwater Model (completed); and the Butte County IGSM II model to be completed in FY 2005-06) to simulate the Lower Tuscan Formation and the existing surface water supply system.

This activity will characterize the set of parameters that are essential for integrating the lower Tuscan into a system-wide context.

Activity 4: Define three hypothetical water delivery systems from the State water project (Oroville), the Central Valley project (Shasta) and the Orland reservoirs sufficient to provide a full and reliable surface water delivery to parties now pumping from the Lower Tuscan

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that protect communities from drought, protect and improve water quality and improve local water security by reducing dependence on imported water."

Formation. […] This will lead to a selection of one or a mix of these strategies for economic analysis and incorporation into the proposed IRWMP.

Activity 5: Define a range of environmental flow improvements for both the Sacramento River below Shasta and Keswick dams and the Feather River below Oroville and Thermalito dams in terms of magnitude, duration, frequency, seasonality and reach.

Activity 6: Develop [alternative water management] scenarios […].

Activity 7: Using CalSim-II to compare and evaluate the alternatives developed in Activities 3, 4 and 5. To facilitate this Activity, we will first construct a simple spread sheet model of the variables itemized in Activity 5 to get a preliminary sense of how they work together and which permutations of the variables are the most promising. For these "finalists", we will then use CalSim II to conduct more detailed and definitive modeling runs that will determine the optimal configuration in terms of the objectives of the IRWMP and the avoidance of risks stakeholders.

Activity 8: Carry out detailed economic analysis of the best performing scenarios, including the costs of any proposed new infrastructure, groundwater pumping, voluntary flood easements, if any, substitute water supplies, etc.

Activity 9: Select the best performing scenario(s) in terms of satisfaction of the shared water management objectives of the IRWMP as described in the proposal.
[…] The partners will at this juncture convene that community [comprising all partners, stakeholders and relevant political leaders] to consider the options, tradeoffs and preferences. Out of this stakeholder process, the choice that maximizes benefits and minimizes disbenefits will be selected , with a view toward incorporating into the IRWMP the configuration that the implementing agencies and jurisdictions will uniformly embrace.

Activity 10: Constraints and opportunities analysis and resolution
[…] The partners will enter into a process with these agencies to:

- Itemize and assess the barriers and opportunities
- Negotiate workable solutions to the barriers
- Incorporate these agreements into the IRWMP.

Activity 11: Assess and eliminate or manage all risks to any stakeholder associated with the selected scenario

The scenario will be selected in part to minimize or compensate all risks—hydrologic, economic or legal—to any stakeholder. To do this successfully, the planning process must identify such potential risks and implement risk avoidance strategies. The first and periodic workshops will help ascertain the risks and effective management strategies. But a proactive outreach to stakeholders will also be used to assure that this Activity is entirely satisfying to the current users of the Lower Tuscan Formation and other stakeholders.

Activity12: Design acceptable legal and institutional arrangements to eliminate or manage risks and incorporate them into an implementable IRWMP […]

Activity 13: Draft, negotiate and obtain approval of IRWMP

The in-basin partners will draft the proposed plan and present it to the water management authorities and political units overlying the Lower Tuscan Formation for their consideration, approval and implementation through a subsequent agreement. […]

Activity 14: Preparation and submittal of quarterly reports, final report and other written documents, including a statement of benefits to be created during proposal implementation. […]Glenn Colusa Irrigation District will provide quarterly progress reports and a final report which will, in fact, constitute the IRWMP itself.

Activity 15: Fiscal Administration of the Grant Funds

B. " The budget is not supported with assumptions of estimated labor hours and the consultant hours are not broken down by type of profession."

Assumptions of estimated labor hours are clearly stated in column 3 of the budget table, and estimated labor rates are detailed in column 2.

Neither the Prop 50 IRWMP Guidelines nor the PSP specified that the budget should include a breakdown of consultant hours by type of profession.

C. "Activity 2 proposes to develop a stream flow monitoring program on seven creeks but appears to be under budgeted at only $12,000. The applicant provides a footnote for this activity, which states that DWR, Northern District, is interested in doing this activity, subject to available resources. It is not understood from the footnote how the applicant will fund this activity."

Please note that the bulk of this activity would be implemented through parallel funding contributing to this planning process, as the funds available through the prop 50 grant program would not be sufficient to cover all of the needed technical investigations. The $12,000 to be contributed by the proposed grant would be used for the oversight and coordination of that activity. We included the activity in the workplan because it will be an integral part of the planning process. However, it is not represented as co-funding for the purposes of this application. We believe that this proposal should not be penalized for erring on the side of completeness in its description of the workplan.

In light of the above, we believe that a fair score for this section should be a 4 out of 5, for a total of 12 points instead of 9.

DESCRIPTION OF THE REGION

"The proposal also does not include the vertical extent of the aquifer nor wells currently pumping from it, not does it mention internal boundaries. […] Current CVP and SWP conveyance systems are also not shown in relation to the defined region."

Please see page 6 of the proposal for a description of the known characteristics of the Lower Tuscan, including its vertical extent. The exact number of wells and its exact internal boundaries are the subject of ongoing research and of the investigations proposed in the application.

Major water-related infrastructure is also described on page 6. A description of Current CVP and SWP conveyance facilities was not specified as a requirement in the Guidelines and was omitted in consideration of the proposal length. Had this requirement been specified, this would have easily been included.

Therefore, a fair score for this section should be a 5 out of 5.

OBJECTIVES

"Most statewide priorities are included in the IRWMP, but there is no mention of TMDLs or SWRCB's NPS Pollution Plan."

The guidelines state that statewide priorities should be addressed, but they did not state that ALL statewide priorities should be covered by the proposed planning.

"More description of the planning process to include specific interests of other stakeholders is needed."

This comment appears particularly unfounded, as the proposal re-iterates at several points how important it is to a) include all of the stakeholders and interested parties (and many of the prospective stakeholders are listed at various points in the document); b) engage them in an active consultation and feedback process to elicit their input on their interests and their perceptions of risks; c) engage them in the actual analysis of and development of strategies to mitigate risk; and d) engage them in choosing the best integrated water management scenario that will culminate in a widely supported plan. Please see pages 3, 4, 7, 9, 13, 14, 15-18, 20-21, 23, 24, 25, 28, and 29.

A fair score for this section would be at least a 9 out of 10.

INTEGRATION OF WATER MANAGEMENT STRATEGIES

"The proposal does not include consideration of water quality and water recycling as well as storm water capture strategies."

Storm water capture is included as part of the flood management strategy that would occur through reservoir reoperation. Please se pages 11-12.
Please note that the IRWM planning grant guidelines did not indicate that the proposal should cover ALL of the water management strategies listed as "may include but are not limited to" in the IRWMP standards.

A fair score should be 9 out of 10.

IMPLEMENTATION

"[…] However, the application does not include details on IRWMP implementation. Furthermore, a schedule of implementation beyond IRWMP adoption could not be found, nor was there any discussion on how performance would be monitored."

Please refer to pages 13-14 for a detailed discussion of the implementation of the proposed plan. We believe that any more detail on implementation would have been presumptuous given that the plan does not yet exist (that is why we are requesting funds). As stated earlier, the requirement for and weight assigned to this section appears inappropriate given that an implementation plan, schedule and monitoring would be the product of the planning process. In fact, please note that some of the potential stakeholders consulted so far regarding this proposal have expressed concern that an implementation plan should even be mentioned at this point, given that their input has not yet been incorporated into any plan.

This section deserves at least a 9 out of 10.

IMPACTS AND BENEFITS

Contrary to the evaluators' statement, the proposal does NOT state that a IRWMP implementation would be exempt from CEQA/NEPA compliance. Rather, it states that (p. 18) "Compliance with CEQA will consist of seeking a categorical waiver […]. However, should a CEQA review be required, that will be conducted as part of the adoption process by the responsible agencies."

With regard to the EIR/EIS, the proposal merely states (p. 14) that " the implementation of the IRWMP is likely to be exempt from the requirement to file an EIR/EIS because the plan will be designed to not only avoid creating significant environmental impacts in pursuing the water supply objectives but actually to restore and enhance the environment through improved environmental flows."

This section offers an otherwise very strong treatment of benefits and impacts, as stated by the reviewers themselves.

A fair score should be at least a 9 out of 10.

DATA MANAGEMENT

We believe that the process for establishing a Data Management System would be a product of the planning process, and therefore should not be stated in more detail than it is at present.

A fair score should be a 4 out of 5.

STAKEHOLDER INVOLVEMENT

"One of the local agencies listed as having indicated strong interest has submitted a letter indicating that it would not participate in the proposal. This brings into question the level of stakeholder involvement and support."

We are struck by the evaluators' haste in accepting the point of view of one organization, (we are assuming this is Butte County RCD) which in fact led us to believe they were interested in supporting this planning process, before withdrawing for motives that appear unclear and possibly unfounded. We would hope that the agencies making the funding decisions in this grant process would see through any one-sided pressure from certain political groups and evaluate the proposal on its technical merits and on the important vision it offers for the Lower Tuscan region. We would also like to mention that the proposal has received the endorsement of Western Canal Water District and of the Butte County Water Commission.

For details about how stakeholders would be identified and involved, please refer to our comment in the "Objectives" section above. Please note that every list of stakeholders in the document includes an "other interested parties" item, which could obviously include Shasta county. Shasta county was not listed explicitly because it is not currently determined to be an entity that overlies the Lower Tuscan Groundwater formation.

A fair score for this section would therefore be at least a 4 out of 5.

DISADVANTAGED COMMUNITIES

The low score on this section is not adequately justified. We believe and have documented that this region fits squarely into the DAC category and that the benefits we describe as directly accruing to DAC populations, such as increased employment security in the agricultural sector, cannot be disputed as a result of better local water reliability.

A fair score for this section should therefore be a 5 out of 5.

III. Summary and conclusion

In summary, we believe that a fair re-evaluated total score should be at least a 74 out of 90. We thank you in advance for your time and consideration of the above comments and trust that you will be able to reassign a fair score to this proposal, which offers a much-needed vision and a path toward making any future use of the Lower Tuscan Groundwater Formation more sustainable and beneficial.

cc.: Lester Snow, Jerry Johns, Mark Cowin, Art Baggett.